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ABSTRACT

At the recommendation of Congress, the U.S. Department of Education is sponsoring a National Study of Charter Schools. This document is summary of the second-year report of this study. The second-year report presents information about charter schools for the 1996-97 school year and is based on a telephone survey designed to collect data from all operational charter schools. The executive summary offers an overview of the report's focus, and it details the growth trends of charter schools. It looks at the states' role in charter schools and discusses key legislative features that dictate the number and types of charter schools that are created within each state. Some characteristics of charter schools are given, such as their size, their nontraditional configurations, and their history. Profiles of students who attend these schools are offered, along with details on how these schools have similar racial/ethnic distribution, how they are similarity to other district schools, and how they serve students of color and low-income students. Some of the reasons why charter schools are started are given, along with some of the factors that attract parents to these schools. The summary closes with a description of some of the challenges facing those who wish to start a charter school. (RJM)

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A National Study of Charter SCHOOLS

Executive Summary

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1998

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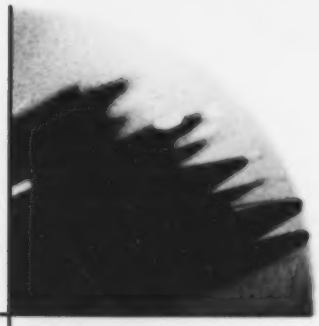
EA 029 424



A National Study of Charter SCHOOLS

Executive Summary

RPP INTERNATIONAL

1998

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT
U.S. DEPARTMENT OF EDUCATION

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July 1998

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Preface

This executive summary reviews highlights of the second-year report of the National Study of Charter Schools (the Study), sponsored by the U.S. Department of Education as authorized by the 1994 Amendments to the Elementary and Secondary Education Act. The Study is a four-year research program to document and analyze the charter school movement. By means of both annual reports and a series of occasional papers, the Study will provide information about how many and what kind of charter schools become operational, about those factors that facilitate or hinder the charter schools' development and implementation, and about how schools are implementing their charters. The Study will also collect data and conduct analyses of the impact of charter schools on student achievement and on local and state public education systems. The second-year report presents information about charter schools for the 1996–97 school year. It is based on a telephone survey designed to collect data from all operational charter schools as well as information collected during site visits to 91 charter schools.

Charter Schools in Perspective

The charter school phenomenon that seemed radical only a few years ago is now an accepted part of public education in many parts of the country. From a slow start in a few states, the charter movement has grown rapidly: by fall 1997 approximately 700 charters were operating in 29 states and the District of Columbia—and their numbers are likely to grow rapidly over the next few years.

Charter schools are public schools, but what sets them apart is their charter—a contract with a state or local agency that provides them with public funds for a specified time period. The charter itself states the terms under which the school can be held accountable for improving student performance and achieving goals set out in the charter. This contract frees charter developers from a number of regulations that otherwise apply to public schools.

The freedoms accorded to charter schools have raised an array of hopes and fears about the consequences of introducing charter schools into the public system. Some people hope that charter schools developed by local educators, parents, community members, school boards, and other sponsors might provide both new models of schooling and competitive pressures on public schools that will improve the current system. Others fear that charter schools might, at best, be little more than escape valves that relieve pressure for genuine reform and, at worst, add to centrifugal forces that threaten to pull public education apart.

Time will tell which hopes and fears are realized. Presently, the rapid expansion of charters testifies to widespread excitement about the charter idea, but it tells us little about the reality of charter schools. The purpose of this Second-Year Report of the National Study of Charter Schools is to describe how charter schools are being implemented at this still-early stage of their evolution. Subsequent reports of the National Study will address broad policy issues concerning the charter school movement and its potential effect on America's system of public education.

The Study's Focus

The Study addresses three major research questions:

- How have charter schools been implemented?
- Under what conditions, if any, have they improved student achievement?
- What impact have they had on public education?

Drawing from research evidence, the Study also asks broad policy questions:

- What models of education have charter schools developed that can be used by other public schools?
- What lessons can be learned from the charter school experience for public education, and what implications should be drawn for state and national policy?
- How might charter schools evolve in the coming decade?

This Report presents interim findings that focus on describing how charter schools are being implemented. Subsequent reports will address all the questions listed above.

The Study's research methodology consists of annual phone interview surveys of all charter schools; repeated field visits to a sample of charter schools and their surrounding districts; the administration of student achievement tests over time at a sample of charter schools; the collection of existing student assessments for a sample of charter schools and for other public schools at district and state levels; analyses across states of charter laws, state agency rulings and procedures, court rulings, and education policy; and case studies of how charter school policies and local practices have worked and affected public education in five states. The findings presented in this Report rely on our second wave of telephone surveys to all cooperating charter schools that were open to children during the 1996–97 school year,[1] visits to 91 field sites across the country, and extensive analysis of state charter laws.

[1] There were 428 charter schools in operation as of January 1997. The Study's quantitative findings are based on 89 percent of these schools.

Growth Trends

YEAR 2
FINDINGS

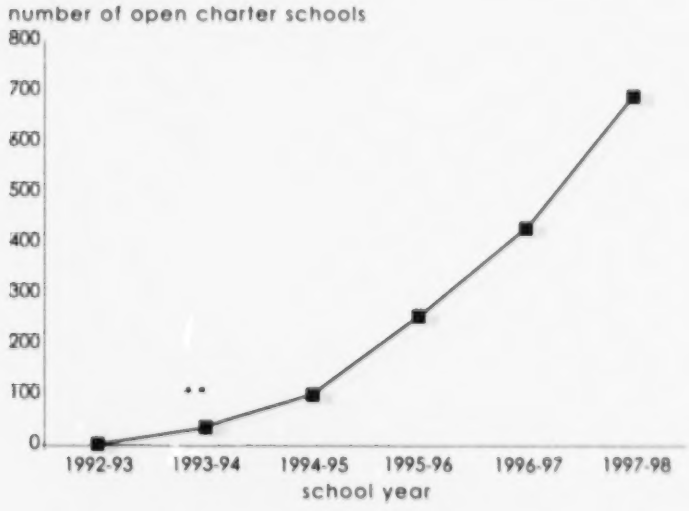
The number of charter schools is growing. The number of charter schools in operation continued to grow rapidly, with 279 additional charters opening in the 1997–98 school year. Taking into account 19 charter school closures, 693 charters were in operation in the 1997–98 school year in 23 states and the District of Columbia. If the various branches of charter schools in Arizona were counted as separate charter schools, the number of charter schools in operation was approximately 781. During the 1997 legislative session, four new states—Mississippi, Nevada, Ohio, and Pennsylvania—passed charter legislation; 29 states and the District of Columbia had charter laws as of September 30, 1997.

Fewer than one in twenty charter schools have closed. By the beginning of the 1997–98 school year, 19 charter schools of the 433 operational until that time had ceased operation. They closed voluntarily, had their charters revoked, or merged their operations with other charter schools.

Charter renewals. Twenty-nine charter schools responding to the telephone survey reported that their charter had come up for renewal. All of these schools reported that their charters were renewed for periods ranging from one to three years.

Charter schools enroll only about 0.5 percent of public school students in the 17 states where charter schools were operating in the 1996–97 school year. Over 100,000 students attend charter schools. Charter school enrollment varies from less than one-tenth of one percent of the state's public school enrollment in Florida, Illinois, and Louisiana to more than two percent of the state's enrollment in Arizona.

THE GROWTH OF CHARTER SCHOOLS



The State Role

The charter concept envisions not only improved individual schools, but also the possibility of an alternative system of public education. Schools are given autonomy from regulations in exchange for accountability for results. The First-Year Report (1997) showed that the chartering statutes differ dramatically from state to state as to the extent and nature of the autonomy they allow. State statutes also vary greatly with respect to the number of charter schools allowed, the conditions of accountability and renewal, and the types of charter schools permitted. Thus, different charter approaches are being tried simultaneously across the country.

KEY LEGISLATIVE FEATURES

Although charter laws vary greatly across states, several key features dictate the number and types of charter schools that are created within each state.

- **WHO CAN GRANT CHARTERS.** In 11 states only the local school board can grant charters (in five of the states, denial can be appealed to another agency); in five states, a single state agency can grant charters; in five states a local school board and a state board must approve the charter; in five states and the District of Columbia, more than one agency can grant charters. The remaining three states are mixed models with the local school board allowed to grant public school conversions and the state board allowed to grant newly created charter schools.
- **TYPES OF SCHOOLS ALLOWED.** Most states (20) allow both newly created and conversion schools, four states only allow public conversions, and five states and the District of Columbia allow newly created schools and public and private conversions.

STATES WITH CHARTER LEGISLATION, BY YEAR OF FIRST ENACTMENT

as of September 1997

1991	1992	1993	1994	1995	1996	1997
Minnesota(26)	California(130)	Colorado(50)	Arizona(140)	Alaska(15)	Connecticut(12)	Mississippi(0)
		Georgia(21)	Hawaii(2)	Arkansas(0)	DC(3)	Nevada(0)
		Massachusetts(24)	Kansas(1)	Delaware(3)	Florida(33)	Ohio(0)
		Michigan(104)		N.Hampshire(0)	Illinois(8)	Pennsylvania(6)
		New Mexico(5)		Louisiana(6)	New Jersey(13)	
		Wisconsin(17)		Rhode Island(1)	NC(34)	
				Wyoming(0)	SC(1)	
					Texas(38)	

- **NUMBER OF SCHOOLS ALLOWED.** Most states (16) and the District of Columbia establish some limit on the number of charter schools or the number of students enrolled in charter schools. Thirteen states have no limit on the number of schools or students.
- **WAIVERS OF STATE LAWS.** Most states (17) and the District of Columbia allow automatic waivers of most of the education code while in 10 states, charter schools must apply for specific waivers. In two states, however, charter schools are responsible for following most of the education code.

Possible legislative trends. Several states amended their charter legislation during the 1997 legislative session, and two trends may be emerging. Some states with older charter legislation are relaxing their limits on the number of charter schools, and some are providing increased flexibility in the charter-granting process. Legislation in the four new charter states—Mississippi, Nevada, Ohio, and Pennsylvania—reflect great differences in state approaches, with two states allowing greater opportunity for charter developers and the other two having more restrictions.

Characteristics of Charter Schools

School reformers have often called for small schools as ways to effect change and produce improved student learning. As the findings below show most charter schools are small and newly created, which ultimately may be the most important aspect of the charter movement, regardless of the exact nature of their educational program.

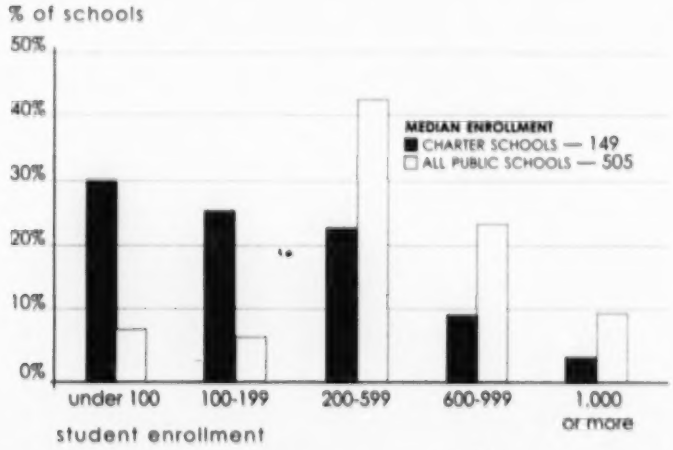
Most charter schools are small, particularly compared to other public schools. Charter schools have an estimated median enrollment of about 150 students, whereas other public schools in the charter states have a median of about 500 students. More than 60 percent of charter schools enroll fewer than 200 students, whereas about 16 percent of other public schools have fewer than 200 students. Charter schools begun recently have a higher proportion of small schools with fewer than 100 students than schools opened in earlier years.

Many charter schools have non-traditional grade configurations. Charter schools include a higher proportion of K through 12, K through 8, and ungraded schools than other public schools.

Most charter schools are newly created schools, which are smaller than pre-existing public schools. An estimated 62 percent of charter schools were newly created; the remainder are pre-existing public schools (25 percent) or pre-existing private schools (13 percent) that converted to charter status. The median school size for newly created schools is 116 students, compared to a median of more than 380 students for pre-existing public schools.

About two-thirds of pre-existing charter schools were previously public schools. Sixty-five percent of pre-existing schools were previously public schools. Private school conversions are allowed in only four of the 16 states.

ESTIMATED ENROLLMENT IN CHARTER SCHOOLS (1996–97) AND ALL PUBLIC SCHOOLS IN THE 15 CHARTER STATES PLUS DC (1994–95)



Students of Charter Schools

The Study found no evidence to support the fear that charter schools as a group disproportionately serve White and economically advantaged students. The evidence summarized below suggests a different picture: Most charter schools have similar demographic characteristics as other public schools, except that about one out of three charter schools focus on minority or economically disadvantaged students.

Charter schools as a group generally have a similar racial/ethnic distribution as all public schools. About one-half of charter and all public schools serve predominantly White students, about one-quarter of charter and all public schools serve predominantly non-White students, and the remainder serve a diverse group of students.

Charter schools in several states have a higher proportion of schools predominantly serving students of color. Of the states with at least ten operational charter schools, California, Colorado, and Arizona have a somewhat higher average school percentage of White students in charter schools than in all public schools. Michigan, Minnesota, Texas, Massachusetts, and Wisconsin have a lower average percentage of White students in charter schools than in all public schools, with the first three states having a considerably lower average. Charter schools in Michigan, Minnesota, Texas, and Wisconsin clearly serve a higher proportion of students of color than other public schools in the corresponding state.

ESTIMATED RACIAL DISTRIBUTION OF CHARTER SCHOOLS (1996–97) AND ALL PUBLIC SCHOOLS IN 15 CHARTER STATES PLUS DC (1994–95)

Racial categories	All public schools in 15 charter states plus DC	Charter schools
White, not of Hispanic origin	52.0%	56.1%
Black, not of Hispanic origin	15.5%	15.5%
Hispanic	22.5%	22.3%
Asian or Pacific Islander	4.6%	4.9%
American Indian or Alaska Native	4.9%	1.2%
Other[1]	0.5%	NA

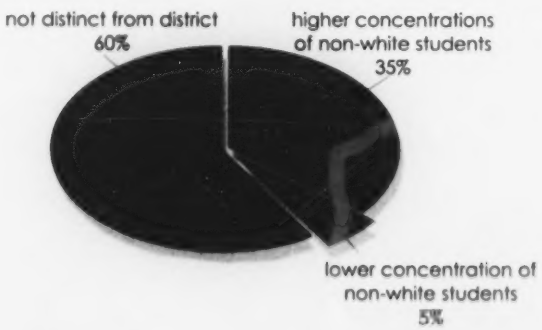
[1] The National Center for Education Statistics does not report an "other" racial category.

Most charter schools are similar to their districts on student racial/ethnic and income level characteristics, but about a third are more likely to serve students of color and low-income students. The Study estimates that 60 percent of the charter schools are not racially distinct from their surrounding district (in the sense that the school's percentage of White students is within 20 percent of the district's average percentage of White students.) About one in three charter schools serve a distinctively higher percentage of students of color than the district. Insofar as charter schools are racially distinctive from their surrounding districts, the evidence indicates that they are much more likely to enroll students of color. Only five percent of charter schools enroll a percentage of White students higher (by at least 20 percent) than the percentage of White students served by their surrounding district.

Of the 34 percent of charter schools that serve predominantly low-income children, two out of three (63 percent) serve a distinctively higher percentage of poor children than their district average; most of the other such schools are not distinct from their districts. In contrast, about half the charter schools serve primarily students who are not low-income. Fifty-one percent of these schools are similar to their district in terms of the percentage of economically disadvantaged students.

A sizeable minority of charter schools serve special populations. The Study estimates that approximately one-fifth of charter schools may serve a particular student population. At least 32 charter schools serve more than two-thirds African-American students, 13 serve more than two-thirds Native American children, 22 have more than two-thirds Hispanic students, and eight serve more than 50 percent special education students. In general, the Study estimates that the percentage of students with limited English proficiency (LEP) served in charter schools (12.7 percent) is about the same as in all public schools (11.5 percent). Without regard to differences across states, the reported percentage of students with disabilities at charter schools (8 percent) is somewhat less than for all public schools in these states (11 percent).

ESTIMATED RACIAL DISTINCTIVENESS OF CHARTER SCHOOLS COMPARED TO SURROUNDING DISTRICTS (1996–97)



Why Charter Schools are Started and What Attracts Parents to Them

Charters start from the inspiration of individual educators, groups of parents, community leaders, or teachers with a dream. They want something different for children. They gather support, overcome skeptics and political resistance if they need to—and they often do—and create a proposal that says why they want to start their charter school, what students they want to serve, and what they plan to do. Once a charter school is founded, parents and students make deeply personal decisions, exercise their choice and take a chance on enrolling in this new opportunity. Their reasons vary greatly, as one might expect.

Most charter schools are in demand. More than 70 percent of charter schools in the telephone sample said they had more applicants than could attend their school.

Many parents with students in charter schools were dissatisfied with their experience in other public schools. In focus group discussions, parents and students consistently voiced dissatisfaction with their previous public schools, expressing concerns about low academic standards, a dehumanizing culture, student safety, and unresponsiveness to serious parent involvement.

ESTIMATED PERCENTAGE OF STATE ENROLLMENT OF LEP STUDENTS, STUDENTS ELIGIBLE FOR FREE AND REDUCED LUNCH, AND STUDENTS WITH DISABILITIES FOR 18 CHARTER STATES PLUS DC

	% Eligible for Free and Reduced Lunch	% LEP Students	% Students with Disabilities
Charter Schools	36%	13%	8%
All Public Schools in 18 Charter States plus DC	40%	12%	11%

Newly created charter schools tend to be established to realize an alternative vision for public education. The majority of charter schools are newly created, and most such schools seek to realize an alternative vision of schooling or to serve a special target population of students. Public schools that convert to charter status also seek an educational vision, but often start from an established—and frequently a highly regarded—program. The primary reason why most such schools are begun is to gain autonomy from their districts or by-pass various regulations. Private schools that convert to charter status seek public funds so that they can stabilize their finances and attract students, often students whose families could not afford private school tuition.

Most charter schools say they attract parents and students by focusing on academics, but they also feature other attractions. Charter schools tend to focus on one or a combination of the following themes in seeking to attract students—a quality academic program with high standards, a supportive environment often based on small school size, a flexible approach to educational and cultural programming, or, in sharp contrast, a highly structured environment.

WHY PARENTS AND STUDENTS MIGHT BE ATTRACTED TO CHARTER SCHOOLS

How powerful is this feature in attracting parents and students to your school?	Powerful or very powerful
Nurturing environment	93%
Safe environment	90%
Value system	88%
Quality of academic program	84%
High standards for achievement	83%
Small class size	83%
Specialized curriculum focus	78%
Small School Size	73%
Clear goals for each student	73%
Structured environment	71%
Adaptive environment	69%
Central parent role	68%
Dress/behavior code	50%
Extensive use of technology	47%
Flexible school schedule	43%
Services for disabled students	34%
Extensive community service programs	29%
Focus on cultural/ethnic needs	33%
Longer school year	19%
Support for home schooling	14%

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Challenges Implementing Charter Schools

Regardless of how they started, practically all charter schools have had to overcome obstacles and problems during their development.

Most charter schools cite resource limitations as a serious implementation difficulty. Lack of start-up funds was the most frequently cited difficulty—almost six out of ten charter schools reported it as difficult or very difficult. Inadequate operating funds, cited by four out of ten charter schools, was the second most commonly reported difficulty.

Newly created charter schools are more likely to cite resource limitations as a major difficulty than pre-existing charter schools. Nearly two-thirds of newly created charter schools reported lack of start-up funding as the most difficult obstacle faced by the school while about four out of ten pre-existing schools did so. Inadequate facilities and lack of planning time also posed more serious difficulties for newly created schools than for pre-existing schools.

Political resistance and regulations caused implementation problems for some schools. State or local board opposition and district and state level resistance and regulations were cited as difficulties by 15 to 25 percent of charter schools.

Some charter schools struggle to overcome internal conflicts. One in five charter schools cited internal conflicts of various forms as posing serious difficulties. Newly created schools were more likely to cite such issues than pre-existing schools.

A small percentage of pre-existing public schools cite difficulties with union relationships. About ten percent of charter schools indicated that they had difficult or very difficult relationships concerning teacher unions or collective bargaining agreements.

Some challenges facing the newer generation of charter schools may be less difficult. Schools opening in the early years of the charter movement faced greater implementation difficulties with state or local boards, district regulations, and with state department of education resistance and regulations, than schools opening in later years.

ESTIMATED PERCENTAGE OF SCHOOLS REPORTING DIFFICULTIES IN DEVELOPING AND IMPLEMENTING THEIR CHARTERS

Barriers	% of schools reporting barriers were difficult or very difficult
Lack of start-up funds	57.6%
Inadequate operating funds	41.1%
Inadequate facilities	38.6%
Lack of planning time	38.4%
State or local board opposition	23.1%
District resistance or regulations	18.3%
Internal conflicts	18.2%
State department of education resistance or regulations	14.8%
Union or bargaining unit resistance	11.3%
Health/safety regulations	10.4%
Accountability requirements	9.7%
Bargaining agreements	9.0%
Hiring staff	8.8%
Community opposition	6.9%
Federal regulations	6.3%
Teacher certification requirements	4.4%

About This Study

At the recommendation of Congress, the U.S. Department of Education (ED) is sponsoring a National Study of Charter Schools. The Study is funded under contract number RC 95 196001 to RPP International, and is monitored by the National Institute on Student Achievement, Curriculum, and Assessment. The research contract is coordinated with the other ED charter school activities, including the State Grant Program, monitored by the Department's Office of Elementary and Secondary Education.

The four year study includes:

- **An annual survey of all charter schools;**
- **An ethnographic study of a stratified random sample of charter schools;**
- **Longitudinal data on student achievement at a sample of charter schools;**
- **Comparison of student achievement data in a sample of charter schools and their districts; and**
- **State-level policy studies.**

An electronic copy of this report, its Executive Summary, and other material from the National Study also may be found at the following World Wide Web sites:

http://www.rppintl.com/

http://www.ed.gov/pubs/

http://www.uscharterschools.org/

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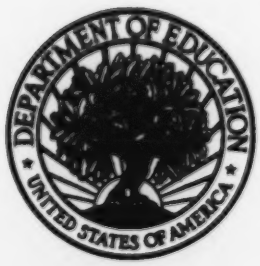

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